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FOR IMMEDIATE RELEASE

**PUBLIC SERVICE COMMISSION: NOT ALL EXCISE TAXES
REMOVED BY CONGRESS**

LINCOLN – Nebraska Public Service Commissioner Anne Boyle has reported receiving complaints by Nebraskans expressing confusion regarding the excise taxes that continue to appear on monthly telephone bills. “There has been a lot of publicity that the excise tax has been repealed and that customers may claim a refund; however, the announcements failed to adequately inform the public that Congress repealed only the interstate tax, not the intrastate tax.” Boyle said. She noted the 3% excise tax still applies to the local portion (intrastate costs) of telephone bills. Therefore, customers will continue to be assessed a federal excise tax unless Congress repeals that section as well.

Subsequent to a challenge in federal court the federal excise tax on long distance telephone and bundled telecommunications service ended August 1, 2006. As a result, the 2006 federal income tax forms allow filers to receive a direct unverified credit for excise taxes paid after February 28, 2003. The credit is \$30 for an individual with one exemption and increases to \$60 for an individual with four or more exemptions. Businesses must document from past billing records the excise taxes collected after February 28, 2003, to receive a credit.

The Internal Revenue Service allows persons who are not required to file an income tax return, such as some low and fixed income citizens, to obtain an excise tax refund by filing form 1040EZ-T.

A telephone user has bundled service if their local and long distance service was provided under a plan that does not separately state the charge for local service. Some wireless service plans also are subject to the tax credit, Boyle said.

Congress is considering measures that will make additional changes to excise taxes the remaining excise taxes on phone bills; however, none of those proposals have been implemented..

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